

ORDINANCE NO. 5 of 2016

An ordinance confirming the equalized assessment list and levying an assessment against certain properties in the Salt Lake City, Utah Central Business Improvement Assessment Area No. DA-CBIA-16 (the “DA-CBIA-16 Assessment Area”), for the purpose of financing certain economic promotion activities in the downtown area; establishing the effective date of the ordinance; and related matters.

BE IT ORDAINED BY THE CITY COUNCIL OF SALT LAKE CITY, UTAH, AS FOLLOWS:

Section 1. Determination of Costs. All costs and expenses to finance the proposed activities, which include advertising, marketing, special events, festivals, transportation, newsletters, publications, banners, Christmas and holiday lighting, security, special projects, housing, town meetings, government policy, cultural promotion, reports, surveys, and other promotional activities (the “Economic Promotion Activities”) within the DA-CBIA-16 Assessment Area, together with related costs, have been determined.

Section 2. Approval of Assessment List; Findings. The City Council (the “Council”) of Salt Lake City, Utah (the “City”), hereby accepts and adopts the Findings and Recommendation of the Board of Equalization. The Council confirms and adopts the equalized and adjusted assessment lists for the DA-CBIA-16 Assessment Area, copies of which are attached hereto as Exhibit B and incorporated herein by reference (the “Assessment List”). The Council has determined that the Assessment List, as adjusted and equalized, is just and equitable; that each assessed property within the DA-CBIA-16 Assessment Area will be assessed in a manner that meets the requirements of Section 11-42-409 of the Assessment Area Act, Utah Code Annotated 1953, as amended (the “Act”); and that no parcel of property listed in the assessment list will bear more than its equitable portion of the actual costs that are reasonable of the Economic Promotion Activities.

Section 3. Levy of Assessments. The Council hereby levies an assessment upon the real property identified in the Assessment List. The assessments levied upon each parcel of property therein described shall be in the amount set forth in the Assessment List.

The assessments hereby levied are to promote business, economic, and community development activities in the central business area of downtown Salt Lake City by financing the Economic Promotion Activities described herein.

The assessments are hereby levied and assessed upon each of the parcels of real property described in the Assessment List in accordance with the benefit received from the Economic Promotion Activities acquired or constructed within the DA-CBIA-16 Assessment Area. The assessments are levied upon the parcels of land in the DA-CBIA-16 Assessment Area at equal and uniform rates.

Section 4. Cost of Economic Promotion Activities; Amount of Total Assessments. The total cost of the Economic Promotion Activities in the DA-CBIA-16 Assessment Area is \$4,001,688, including allowable related expenses. Of this total cost, the City's portion is \$0. The City's portion for the DA-CBIA-16 Assessment Area includes that part of the overhead costs for which an assessment cannot be levied, if any, and the cost of making the Economic Promotion Activities for the benefit of property against which an assessment may not be levied, if any. The amount to be assessed against property affected or benefited by the Economic Promotion Activities in the DA-CBIA-16 Assessment Area is \$4,001,688. These amounts do not exceed in the aggregate the sum of: (a) the total contract price or prices for the Economic Promotion Activities under contract has been duly let to the lowest and best responsible bidder therefore and a portion of the costs of installation, designing and inspection; (b) the reasonable cost of (i) utility services, maintenance, and operation to the extent permitted by the Act and (ii) labor, materials or equipment supplied by the City, if any; (c) the property price, if any; (d) connection fees, if any; (e) the interest on interim warrants issued against the DA-CBIA-16 Assessment Area, if any; and (f) overhead costs not to exceed fifteen percent (15%) of the sum of (a), (b), (c) and (d).

Section 5. Method and Rate. The assessment is a one-time assessment for a three year period on property in the DA-CBIA-16 Assessment Area to pay all or a portion of the estimated costs of Economic Promotion Activities. The total assessment for the DA-CBIA-16 Assessment Area is levied based upon 2015 taxable property values as set out in the Notice of Intention to Designate Assessment Area pertaining to the DA-CBIA-16 Assessment Area. The assessment for each property was determined based on costs as set out in Section 4.

Section 6. Payment of Assessments. Assessments shall be payable in full or in three (3) annual installments (the "Assessment Installment" or "Installments"). If payable in three (3) annual installments, the first Installment will fall due May 9, 2016. The second and third Installments will fall on the first and second anniversary dates of the first Installment. If any Installment is not paid by the due date, the unpaid Installment(s) will accumulate delinquent interest and/or charges in accordance with this Assessment Ordinance and State law.

Section 7. Default in Payment. If a default occurs in the payment of any assessment installment when due, the City may (a) declare the delinquent amount to be immediately due and subject to collection, or (b) accelerate payment of the total unpaid balance of the assessment and declare the whole of the unpaid principal and interest then due to be immediately due and payable. Additional interest shall accrue and be paid on all amounts declared to be delinquent or accelerated and immediately due and payable at the same rate as is applied to delinquent real property taxes for the year in which the assessment installment becomes delinquent (the "Delinquent Rate"). In addition to interest charges at the Delinquent Rate, costs of collection, including attorneys fees and court costs ("Collection Costs"), as determined by the City Treasurer or required by law, may be charged and paid on all amounts declared to be delinquent or accelerated and immediately due and payable. In lieu of accelerating the total assessment balance when one or more assessment installments become delinquent, the City may elect to bring an

action to collect only the delinquent portion of the assessment plus interest at the Delinquent Rate and Collection Costs.

Upon any default, the City Treasurer shall give notice in writing of the default to the owner of the property in default as shown by the last available equalized assessment rolls. Notice shall be effective upon deposit of the notice in the U.S. Mail, postage prepaid, and addressed to the owner as shown on the last equalized assessment rolls for the City or on the official ownership records of Salt Lake County. The notice shall provide for a period of thirty (30) days in which the owner shall pay the installments then due and owing together with accrued interest at the regular rate plus costs as determined by the City Treasurer. If the City elects to use the enforcement remedy involving acceleration, the Notice shall also declare that after the thirty (30) day period the City shall accelerate the then unpaid balance of the principal of the assessment to be immediately due and payable together with Collection Costs and interest on the entire unpaid balance to accrue from the date of delinquency at the Delinquent Rate. Thereafter, the City may commence foreclosure proceedings in the manner provided for actions to foreclose mortgage liens or trust deeds. If the City elects to utilize the trust deed enforcement remedy, the City Attorney shall designate a trust deed trustee for purposes of the enforcement action. If at the sale no person or entity shall bid and pay the City the amount due on the assessment plus interest and costs, the property shall be deemed sold to the City for these amounts. The City shall be permitted to bid at the sale.

The remedies provided herein for the collection of assessments and the enforcement of liens shall be deemed and construed to be cumulative and the use of any one method or means of collection or enforcement shall not deprive the City of the use of any other method or means. The amounts of accrued interest and all costs of collection shall be added to the amount of the assessment up to the date of foreclosure sale.

Section 8. Remedy of Default. If prior to the final date that payment may be legally made under a final sale or foreclosure of property to collect delinquent assessment installments, the property owner pays the full amount of all unpaid installments that are past due and delinquent with interest at the Delinquent Rate, plus all approved or required costs, the assessment of said owner shall be restored so that the owner will have the right to make the payments in installments as if the default had not occurred.

Section 9. Lien of Assessment. An assessment or any part or installment of it, any interest accruing, and the penalties and costs of collection shall constitute a lien against the property upon which the assessment is levied on the effective date of this Ordinance. Said lien shall be superior to the lien of any trust deed, mortgage, mechanic's or materialman's lien, or other encumbrance, shall be equal to and on a parity with the lien for general property taxes, and shall apply without interruption, change of priority, or alteration in any manner to any reduced payment obligations. The lien shall continue until the assessment, reduced payment obligations, and any interest, penalties, and costs on it are paid, notwithstanding any sale of the property for or on account of a delinquent general property tax, special tax, or other assessment, the issuance of a tax deed, an assignment of interest by Salt Lake County, or a sheriff's certificate of sale or deed.

Section 10. Contestability. No assessment shall be declared invalid or set aside in whole or in part in consequence of any error or irregularity that does not go to the equity or justice of the assessment or proceeding. Any party who has not waived his/her objections to same as provided by statute may commence a civil action against the City to enjoin the levy or collection of the assessment or to set aside and declare unlawful this Ordinance.

Such action must be commenced and summons must be served on the City not later than sixty (60) days after the effective date of this Ordinance. This action shall be the exclusive remedy of any aggrieved party. No court shall entertain any complaint that the party was authorized to make by statute but did not timely make or any complaint that does not go to the equity or justice of the assessment or proceeding.

After the expiration of the 60-day period provided in this section:

(a) The assessments levied in the DA-CBIA-16 Assessment Area shall become incontestable as to all persons who have not commenced an action and served a summons as provided for in this section; and

(b) A suit to enjoin the levy, collection, or enforcement of the assessment, or to attack or question the legality of the assessment may not be commenced in this state, and a court may not inquire into those matters.

Section 11. Notice to Property Owners. The City Treasurer is hereby authorized and directed to give notice of assessment by mail to the property owners in the DA-CBIA-16 Assessment Area. Said notice shall, among other things, state the amount of the assessment and the terms of payment. A copy of the form of notice of assessment is available for examination upon request at the office of the City Recorder.

Section 12. All Necessary Action Approved. The officials of the City are hereby authorized and directed to take all action necessary and appropriate to effectuate the provisions of this Ordinance.

Section 13. Repeal of Conflicting Provisions. All ordinances or parts thereof in conflict with this Ordinance are hereby repealed.

Section 14. Publication of Ordinance. Immediately after its adoption, this Ordinance shall be signed by the Mayor and the City Recorder and shall be recorded in the ordinance book kept for that purpose. This Ordinance shall be published once in the Deseret News, a newspaper published and having general circulation in the City, and in accordance with Section 45-1-101, Utah Code Annotated 1953, as amended, and shall take effect on April 22, 2016.

Section 15. Notice of Assessment Interest. The City Treasurer is hereby authorized and directed to file a Notice of Assessment Interest with the Salt Lake County Recorder within five days of the effective date of this Ordinance. Such Notice shall (1) state that the City has an assessment interest in the assessed property, (2) state the

maximum number of years over which the assessment will be payable, and (3) describe the property assessed by legal description and tax identification number.

PASSED AND APPROVED by the City Council of Salt Lake City, Utah, this
March 15, 2016.

(SEAL)

By: /s/James Rogers
Chair

ATTEST:

By: /s/ Cindi Mansell
City Recorder